

# Settlements and Judgments

Description	FY 2003 Approved	FY 2004 Proposed	% Change
Operating Budget	\$22,822,000	\$22,822,000	-

The mission of the Settlements and Judgments (S&J) fund is to provide the fiscal resources to settle claims and lawsuits and pay judgments in most types of civil cases filed against the District of Columbia.

Beginning in FY 2004, the administration of the Settlements and Judgments fund will be performed by the D.C. Office of Risk Management. The D.C. Office of Risk Management (DCORM) strives to reduce the District's overall level of risk by reducing the District's legal exposure emanating from the performance of routine municipal functions. This risk management function is performed by sharing historical data with agencies regarding what conduct legally or factually gives rise to undue risk, and by aggressively defending the District's legal position.

The S&J fund was created out of a need to address increased litigation against the District government over the last 25 years. The fund has been part of the District's annual appropriation for many years, managed and administered by the Office of Corporation Counsel (OCC). Although the administration of the fund is the responsibility of the DCORM who makes all final decisions about use of the fund, the fund is distinct and separate from the DCORM's operating budget.

The DCORM generally assesses the potential exposure to the District government in cases and claims paid through the S&J fund by reviewing the facts and the applicable law pertinent to

such cases. A recommendation to settle or litigate a case originates with the Assistant Corporation Counsel assigned to the case. Depending on the amount of settlement authority requested, the recommendation is reviewed and approved by several supervisors within OCC and DCORM. The authority to settle a case is limited to \$500,000; for amounts greater than \$500,000, the settlement decision rests with the Mayor.

Settlements and Judgments plans to fulfill its mission by achieving the following strategic result goals:

- Implement a client education/outreach program that reaches 100 percent of client agencies and includes information on "legal risk management."
- Refine the capturing of core data electronically in order to enhance timeliness and quality of service delivery and response to information requests.
- Continue the Early Settlement Program implemented in FY 2000 and based in the General Litigation Division. The program identifies both claims and lawsuits appropriate for early resolution based on established criteria.

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## Where the Money Comes From

Table ZH0-1 shows the sources of funding for the Settlements and Judgments.

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Table ZH0-1

### FY 2004 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	Actual FY 2001	Actual FY 2002	Approved FY 2003	Proposed FY 2004	Change From FY 2003	Percent Change
Local Fund	25,881	31,360	22,822	22,822	0	0.0
<b>Total for General Fund</b>	<b>25,881</b>	<b>31,360</b>	<b>22,822</b>	<b>22,822</b>	<b>0</b>	<b>0.0</b>
<b>Gross Funds</b>	<b>25,881</b>	<b>31,360</b>	<b>22,822</b>	<b>22,822</b>	<b>0</b>	<b>0.0</b>

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## How the Money is Allocated

Table ZH0-2 shows the FY 2004 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

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Table ZH0-2

### FY 2004 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2001	Actual FY 2002	Approved FY 2003	Proposed FY 2004	Change from FY 2003	Percent Change
40 Other Services and Charges	25,881	31,360	22,822	22,822	0	0.0
<b>Subtotal Nonpersonal Services (NPS)</b>	<b>25,881</b>	<b>31,360</b>	<b>22,822</b>	<b>22,822</b>	<b>0</b>	<b>0.0</b>
<b>Total Proposed Operating Budget</b>	<b>25,881</b>	<b>31,360</b>	<b>22,822</b>	<b>22,822</b>	<b>0</b>	<b>0.0</b>

### Gross Funds

The proposed budget is \$22,822,000, representing no change from the FY 2003 Gross Funds budget. There are no FTEs for the agency, which represents no change from FY 2003.

### General Fund

**Local Funds.** The proposed budget is \$22,822,000, representing no change from the FY 2003 approved budget. No FTEs are funded by Local sources, which represents no change from FY 2003.

### Programs

The D.C. Office of Risk Management anticipates approximately 1,200 new lawsuits in FY 2004, about the same number the District handled in FY 2003. Likewise, DCORM anticipates approximately 2,500 claims to be filed in FY 2004, similar to the previous two years.